

EX PARTE PRESENTATION

VoiceLog's Petition for Reconsideration
and for Partial Stay Pending Reconsideration

(Docket 94-129)

August 29, 2002

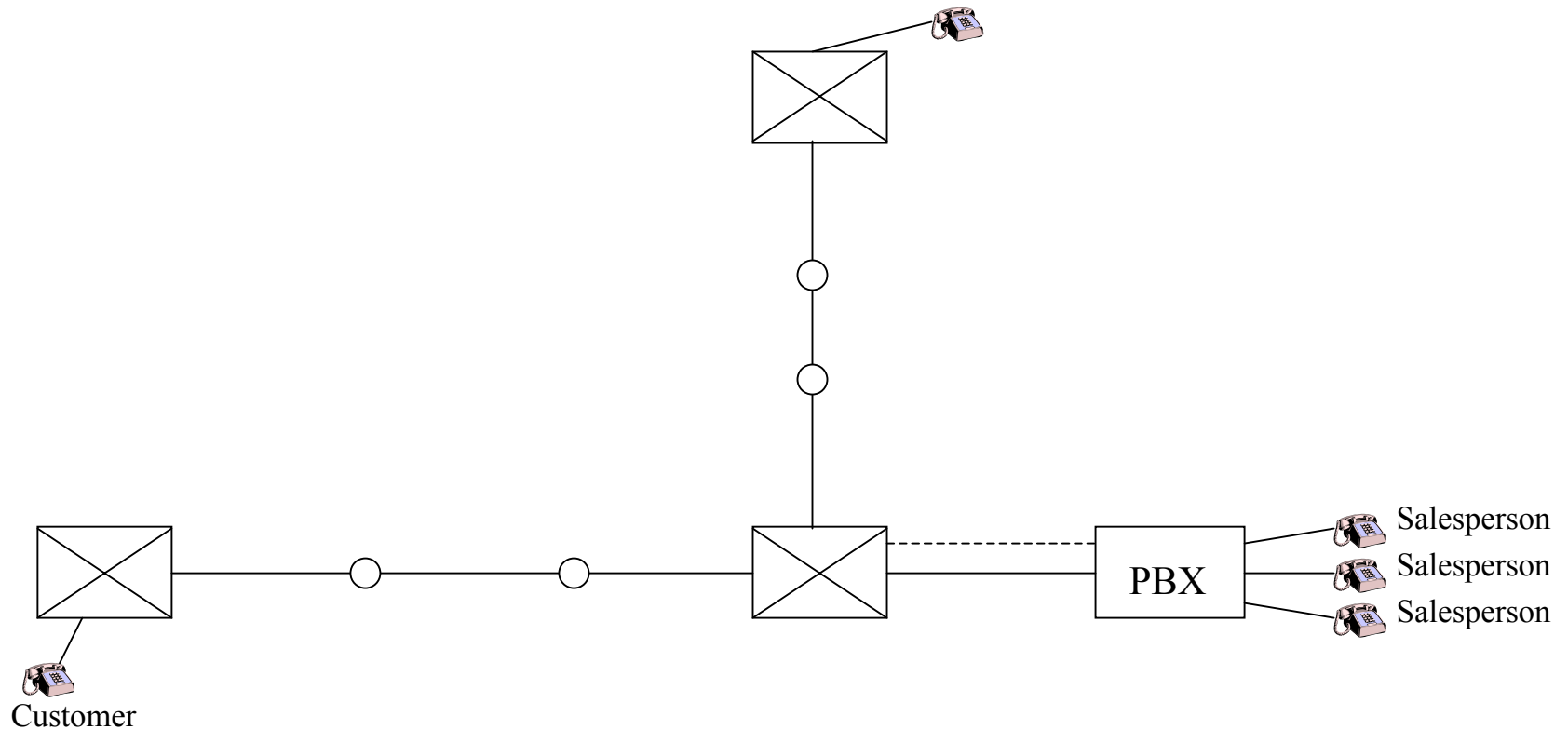
Comparison of Verification Options for Telemarketing

Verification Method	Cost/Verification	Practical For Telemarketing	Effectiveness Against Slamming
Live Operator TPV	~\$2.25 - \$5.00	Yes	Best
Automated TPV	~\$0.75 - \$1.75	Yes <ul style="list-style-type: none"> • 5-10% loss if no one can help navigate • Rotary phone problems 	Best
Electronic Authorization (800 call)	~\$0.25	Somewhat <ul style="list-style-type: none"> • 15-30% loss in sales • Not practical for switching multiple lines on an account 	Unproven
LOA	~\$0 - \$100's	No	Worst
Internet LOA	~\$0	No	Unproven

Third Party Verification – Three-Way Conference Call

TPV

Verification call must be recorded



“Drop Off” Rule

“The carrier’s sales representative may initiate the three-way conference call but must drop off the call once the connection has been established between the subscriber and the third party verifier.”

Third Report and Order and Second Order on Reconsideration, FCC 00-255, ¶ 38.

Added Costs of “Drop Off” Rule

- Lost business for call centers (technically can’t change or change prohibitive).
- Higher cost of sales (higher costs for alternative call centers).
- Lost sales because of customer confusion (sales rep drops off/gets lost/hung up).
- Higher TPV costs (convert to more costly TPV option).
- Lost sales due to verification that doesn’t work as well with telemarketing (e.g. electronic verification).

Relief Requested in VoiceLog's Petition for Reconsideration

- The carrier or carrier's sales representative must remain silent during the third-party verification call unless the subscriber requests assistance or information from the carrier or carrier's sales representative, or the subscriber needs assistance in reaching a live person or terminating the call connection.
- *If the subscriber requests information from the carrier or carrier's sales representative, the carrier or carrier's sales representative may only provide neutral, objective information that responds specifically to the subscriber's inquiry.*
- If the carrier or carrier's sales representative does not comply with these requirements, the verification is invalid.

“Drop Off” Rule for TPV (3d R&O)

- Rule currently requires the sales agent completely to drop off the TPV once the call is established.
- Rule is broader than necessary to accomplish FCC’s goals.
- Some carriers and marketers cannot technically comply and still use automated TPV.
- VoiceLog’s alternative would permit sales agent to help the customer navigate the TPV and provide neutral information, but not extend the marketing into the TPV.
- Procedural flaws
 - Alternatives not considered
 - Reg. Flex Act requirements not met
 - Limited stay protects consumers and small business pending final resolution of VoiceLog’s Reconsideration petition
- No Opposition to Reconsideration or Stay
- VoiceLog’s alternative satisfies First Amendment and current rule does not.

Comments Against “Drop Off” in Original Proceeding

- Commenters noted that the FCC could ensure that the consumer intended to switch carriers without imposing a drop off requirement. Reply Comments of VoiceLog LLC at 4; Comments of RCN Telecom Services, Inc. at 5; Comments of Sprint Corporation at 8; Comments of Bell Atlantic at 3; Comments of Cable & Wireless at 19.
- Commenters suggested that the Commission allow sales representatives to remain on the line to answer consumers’ questions, which would benefit the consumer. Reply Comments of VoiceLog LLC at 2; Comments of RCN Telecom Services, Inc. at 5; Comments of CoreComm at 6; Comments of Sprint Corporation at 7.
- Sprint asserted that as an alternative to drop off, the sales agent could remain silent during the call. Comments of Sprint Corporation at 8.
- VoiceLog illustrated the practical difficulties of implementing a drop off requirement, including the fact that many smaller carriers do not have the ability to do a “hot transfer,” and that drop off requirements are impossible to enforce. Reply Comments of VoiceLog LLC at 2.
- CoreComm noted that a drop off rule would cause unnecessary delays in the TPV process. Comments of CoreComm at 10.

Comments In Support of VoiceLog LLC's Petitions for Stay and Reconsideration

Commenter	Type of Business	Number of Employees	Number of Accounts/Lines	Ability to Technically Comply With Drop Off Requirements
AT&T	Carrier	Unknown	Unknown	Y
BuyersOnline	Marketer	80	19,000	Y
Cox Communications	Carrier	Unknown	140,000	Y
Erbia	Marketer	30	14,000	N
Fionda	Marketer	15	200,000	N
Hughes Telecom	Marketer	20	3 carriers	N
IDS Telecom	Carrier	200	39,000	N
John Ring Enterprises	Marketer	48	Unknown	N
Long Distance Post	Marketer	2	10,000	N
Office of Advocacy, SBA	N/A	N/A	N/A	N/A
PromiseVision Technology	Carrier	20	4,000	Y
SaveTel Communications	Carrier	4	1,000	N
Telephone Co. of Central Florida	Carrier	40	4 states/national	N
Telecom New Zealand	Carrier	4	1,000	Y
Tri-M Communications	Carrier	22	15,000	N
Velocity Networks of Kentucky	Carrier	5	100	Y